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SELECT COMMITTEE ON
PRESIDENTIAL CAMPAIGN ACTIVITIES
(PURSUANT TO S. RES. 60, 93D CONGRESS)

WASHINGTON, D.C. 20510

July 31, 1973

MEMORANDUM

To: Howard Liebengood

From: Tom Ritter

Subject: WALTER'S PERSONNAL MEMOS ON CONVERSATIONS WITH EHLRICHMAN, HALDEMAN, DEAN AND GRAY AND HELMS

COVERING NOTE:

Attached memoranda were not intended to be full or verbatim account of meetings they covered--for Walters use only.

Apparent inconsistancy between testimony, President's name not used, and note that Haldeman had said "it is President's wish..." Walters states this only implicit in his mind--he did not correct memo because it was for his own use only. The fact that Walters did not think it was used is shown by his saying to Gray on July, 6--"it was implicit" and in other talks with Dean and Gray showing clearly that Walters did not believe that the President knew. |

In his talks with Dean on June 26 and June 28 and his talks with Gray July 6 and 28, reflects Walter's view that those not touched would be so if Walters was to do what Dean wanted. ??

Walters remarks concerning Cubans with Dean on June 28 were only intended as hypothetical assumptions. ?

JUNE 23, 1978

1. On June 23, Walters talked with Ehrlichman, Haldeman and Helms in Ehrlichman's office at the White House.

Haldeman stated that "bugging" affair at DNC was making headlines and the Democrats were trying to maximize it. The FBI investigation was leading to a lot of important people and could get worse, and was getting embarrassing to the President. Walter states in the memo that Haldeman said that the President ? XII

wanted Walters to contact Gray and suggest to him that it was sufficient that five suspects were arrested and it was not advantageous to have inquiry pushed, especially in Mexico. Gray would be receptive.

Helms stated that the CIA was not involved. He had talked to Gray on the previous day. He told him that none of the five suspects had worked for the CIA in the last two years. Helms had told Gray that none of the FBI investigation was touching any CIA covert activities, current or ongoing.

Haldeman repeated his request for Walters to talk to Gray.

2. At 14:30, June 23, Waters called on acting Director of FBI, Gray, and saw him alone in his office of the FBI building. Walters told Gray that he came to see him after talking to the "White House", no names mentioned by either party. Walters told Gray that he was aware of Gray's conversation with Helms, adding that continuation might lead to some projects. Gray stated that his problem was how to "low-key" the matter now that it was launched. He stated that there was a matter of a check drawn on a Mexican bank for $89,000, ie, Dahlberg. Walters repeated that if the investigation was pushed "South of the Border" it could trespass upon some CIA covert projects. Gray stated that he would need to tal to Dean about how the matter could best be handled.

3. On June 21, at 10 a.m., Dean called Walters from the White House wanting to see Walters about the matter which Walters had discussed with Haldeman and Ehrlichman. Walters and Dean met alone at 11:45. Dean stated that FBI investigatic was awkward and leads to important people. FBI supposedly working on three theories: 1. matter was organized by the CRP; 2. it was organized by the CIA; 3. it was organized by some other party.

Dean stated that(Barker had been involved in clandestine entry into the Chilean Embassy)* and asked if Walters was sure the CIA wasn't involved. Walters assured Dean that none of the suspects had been on the CIA payroll for two years.

Dean asked whether CIA could pay bail for suspects and if CIA could pay salaries while they were in jail out of the covert action funds.

Walters replied that CIA must remain apolitical and that if CIA should do those two things, they would become part of current "leaking" atmosphere of Washington. The scandal would be ten times as bad and such action could only be done on direction from the "highest level". The CIA would be discredited and it would lose all value to the President. Dean agreed.

* The portion in parentheses should remain classified.

JUNE 29

At 11:45, June 27, Walters met with Dean at his office in the Executive Office Building. Walters told Dean that he had talked with Helms. Helms had agreed with Walters that CIA involvement would be counter-productive and that the CIA had a legislative constraint about expenditures of funds within the U.S. CIA had to clear them with the chairmen of CIA Oversight Committee in both the House and the Senate.

Walters concluded by repeating arguments that involving the CIA would transform what was now a medium-sized explosive into multi-megaton explosion and not worth risk to all concerned.

JUNE 29

On June 28 at 11:30, Dean and Walters met alone in Dean's office in the EOB. Dean told Walters that Helms' meeting with Gray had been cancelled and that Ehrlichman suggested that Gray deal with Walters. He asked Walters for suggestions to stop the FBI investigation beyond the five suspects. Dean said leads led to Ken Dahlberg and Mexican named Guena. The $89,000 was unrelated to the bugging case. Dahlberg was refusing to answer any questions.

Walters repeated that CIA involvement would make the scandal worse if it became know. Walters suggested that this affair had a strong Cuban flavor, that everyone knew the Cubans were conspiratorial and anxious to know what policies of both parties would be to Cuba, that they had a plausible motive for attempting the job.

Dean agreed on Cuban issue and that CIA involvement would be unacceptable. (Dean mentioned possible $500,000 would be needed if blame was to be transferred to Cubans). Dean also said that Gray's cancellation of his meeting with Helms might be reversed in the next few months.

JULY 5, 1972

On July 5, 1972, at 5:50 p.m., Walters received phone call from Gray. Gray had told Walters that pressures had been great on Gray to continue the investigation, that unless he had a documents from Walters to the effect that the FBI investigation was endangering national security, he would have to investigate Dahlberg and Daguerre. Gray said he had talked to Dean. Walters told Gray that he would give him an answer by 10:00 on July 6.

"Guena," "Daguerre" - Walters Spanish Translator.

JULY 6, 1972

At 10:05 on July 6, Walter and Gray met alone at Gray's office. Walters handed Gray memo which covered entire relationship between Watergate suspects and the CIA. Walters told Gray that he could not tell Gray to leak his investigation on the grounds of compromising national security interests. Walters also stated that he could not write a letter to this effect. Gray understood. Gray stated that he had told Haldeman and Ehrlichman that he could not suppress investigation. Walters then reviewed with Gray Walter's involvement in this case. Haldeman and Ehrlichman were not mentioned by name. Walters told Gray that the only way he would be able to write the letter is by direction from the President. Gray said that he had told Kleindienst that he couldn't suppress the investigation. Gray also said he was prepared to resign, except his resignation could be interpreted incorrectly. Gray did not talk to the President. Both agreed that it would be more damaging to the President if they suppressed the investigation.

JULY 13, 1972

On July 12, at 14:15, Walters and Gray met at Gray's office. Walters told Gray that he had learned of CIA assistance given to Hunt, from a memo which he subsequently turned over to Gray. Walters told Gray that assistance given to Hunt terminated in August, 1971, when his demands escalated to an inappropriate level. Walters told Gray that the CIA had assisted Hunt on request from the White House, Hunt's purpose here was to track down security leaks in the government. Gray told Walters that Dahlberg had gotten check from Stans and deposited it in a Mexican bank (political money). Gray said that the President had asked Gray for recommendations in this case and that Gray had replied that the President should get rid of anyone involved, no matter how high. He told the President that any CIA or FBI involvement would be a mortal wound, and that Walters agreed. Gray told Walters that he had informed Dean of his conversation with the President.

Gray told Walters that the U.S. Attorney had suppoenaed the financial records of the CRP.

Before leaving, both reaffirmed their preparation to resign in order to maintain the integrity of their offices.

JULY 28, 1972

At 11:00, July 28, Walters met with Gray in Gray's office. Walters came to clarify the last memo Walters had given Gray regarding "Cleo". "Cleo" was (Cleo Gephart)*, an electronics engineer who was in contact with Hunt during August, 1971. Cleo supplied Hunt with an Usher recorder and assisted him in getting in shaped to use it for overt recording of meetings with agents. No attempt was made for clandestine recordings. Cleo called Hunt twice more

Hide recorder for overt use? Needed CIA help for this

More than 1 Mike for overt use? (next page)

what happened to recorder that was never returned?

to straigten out problems regarding microphones. The CIA never recovered the recorder.

The CIA also provided Hunt with false documents, disguises for himself and an associate. Hunt was loaned a clandestine camera (which was returned). The CIA developed one roll of film for Hunt which showed an unidentified place possibly the Rand Corp. The CIA had no contact with Hunt after August 31, 197

Gray said that "heavy Texas money" had given Barker chekcs to convert int cash. They both agreed to terminate 965-9598 number.

* Classified material

Schlesinger

FEBRUARY 9, 1973--WALTERS MEMO OF DEAN'S PHONE CALL TO SCHLESINGER

On February 9, 1973, at 6:10, Dean called Schlesinger to discuss two topics.

1. Dean requested that the package sent from the CIA to Justice in connection with Watergate investigation be returned to CIA, since it was no longer needed for the investigation.

2. Dean indicated there may be some sensitive cables regarding the Senate investigation of ITT affair in relation to Chilean problems. Dean mentioned the story by Seymor Hersh of New York Times wherein it stated that Sturgis was responsible for burglarizing the Chilean Embassy in Washington.

After Dean's call, Schlesinger found that Sturgis had not been on the payroll for several years, so whatever allegations of the Chilean Embassy, the CIA had no involvement. He would discuss package relating to Watergate investigation with Walters.

MEMORANDUM OF CONVERSATION ON FEBRUARY 21, 1973

At request of Schlesinger, Walter met with Dean at Dean's office. Walter explained that CIA could not ask Justice to return the package which was sent to them regarding the Watergate investigation. A note would have to be left in the Justice files saying that the material had been sent back to the CIA and that the CIA had been asked not to destroy any material related to this case. Walters states that Dean looked disappointed.

TR:brc